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make sure that those schools who get less equalization money is going to get more equalization money by increasing the insured needs which is part of the equalization section. How did you like that? What that particularly means is that obviously if you're going to put so much money in foundation the higher you raise the insured needs beyond the necessary amount to fund it, that means schools that ordinarily would not qualify will qualify. Now, the problem that Senator Whitney faces in his district, you take that insured need figure and you multiply it times the number of children in his district by those four categories listed in there. And then you have the deductible factors which means you take the mill levy, the qualifying mill levy times the assessed valuation and you deduct that plus the foundation aid away from the equalization and, of course, you have a very small equalization dollar left if you have a high assessed valuation per child. Now, in order to get around that and get more equalization money, of course, you just have to take the top figure up. What Senator Whitney has done, he has taken that to \$1,200 and, of course, if he'd take it to \$1,400 he'd probably get even more equalization money simply because then you start pro-rating. And until there is some correlation between what we can get through the assumed needs and how much we're going to spend, we're going to start pro-rating equalization again which is one of the problems we have now.

PRESIDENT: The Chair next recognizes Senator Nore and then Senator Warner.

SENATOR NORE: Mr. President, fellow members. I favor the Whitney amendment now, I don't know whether I understand this properly but we do have a real problem as of yesterday when we passed the more lenient homestead exemption. Now, this problem is in our smaller towns and outstate Nebraska, in my district, let's take for example Belgrade, Nebraska. I would say probably 85% of the people living there are over 65 or 62 for the women. And they're not going to be paying any real estate taxes. Now, how are they going to keep up the streets or sewage system and their water system and all the other utilities. They're just not going to have any base left. But the folks are probably going to get the brunt of the whole thing will be the business people along main street. We just have one main street there but they don't have any base left. So this is going to give....this is going to give these folks some relief. And these older people, if they do have any tax, we're going to give them, if I understand properly, give them \$300. We have quite a number of children from in that area, the school district which covers the farm area too \$300 more in helping the expense of sending their children to Cedar Rapids and Fullerton. The way it is now they're just having \$300 taken away from them so I think Senator Whitney's amendment is a very good amendment. It's fair and it's equitable and it's going to help hundreds of small villages in the State of Nebraska.

PRESIDENT: Senator Warner and then Senator Keyes.

SENATOR WARNER: Mr. President, I rise to oppose the Whitney amendment. It's been essentially pointed out but it will have the effect of pro-rating equalization which is one of the problems we have had in the past. Secondly, those higher figures, the assumption is or has been insured needs ought to be at least the state average. Those higher figures will be substantially above the state average figures which also presents a problem that you're pouring more money in some instances into schools than they can use. Thirdly, the bill